

CAPITAL EXPENDITURES COMMITTEE

TOWN OF LEXINGTON



REPORT TO THE 2014 SPECIAL TOWN MEETING (STM) June 16, 2014

Released June 11, 2014

Submitted by:

Jill I. Hai, Chair

David G. Kanter, Vice-Chair

Bill Hurley

Wendy Manz

Beth Masterman

Warrant Article Analysis and Recommendations

CPF = Community Preservation Fund; GF = General Fund; SF = Stabilization Fund

Article 3: Land Acquisition—Off Concord Avenue	Fund Authorization Requested	Funding Source	Committee Recommends
	\$220,000 [\$180,000 for land + \$40,000 legal allowance]	CPF (Cash)	Contingent Approval (5-0)

“To see if the Town will vote to authorize the Conservation Commission to purchase or otherwise acquire, and authorize the Selectmen to take by eminent domain, upon the written request of the Conservation Commission, for conservation purposes including outdoor recreation...or other interest in all or any part of land shown as Lot 1 on Assessors’ Property Map 6, now or formerly of John H. Sellars; and appropriate a sum of money therefor and determine whether the money shall be provided by the tax levy, by transfer from available funds, including the Community Preservation Fund, or by borrowing, or by any combination of these methods; or act in any other manner in relation thereto.”...

DESCRIPTION: This article requests funds to acquire open back land off 430 Concord Avenue for conservation purposes.”

[Town Warrant]

As shown in the following plan, this approximately 12-acre property is to the rear of the approximately 5.40-acre property at 430 Concord Avenue that is the subject of the proposed re-zoning under Article 2 and a new easement under Article 4:



CAPITAL EXPENDITURES COMMITTEE REPORT TO 2014 STM (Jun 16th)

The Town contests that John H. Sellars has a clear title to this rear lot—which has long been considered as Town conservation land. To clear that title, and reconfirm the lot is under the protection of the Town’s Conservation Commission, this Article proposes to authorize that Commission to acquire and, with the Board of Selectmen’s authorization, if necessary to do so under an eminent-domain proceeding.

The Town, through it’s Conservation Commission and funded by Community Preservation Fund (CPF) with the approval of the Community Preservation Committee (CPC), had two formal appraisals done on this property. The appraisals valued the property at \$78,000 and \$180,000—the difference based on using different sales as representing comparable properties. After judging those appraisals and with the advice of Town Counsel regarding potential contention in the courts of the land value in an eminent-domain taking, the BoS recommended: (1) using the higher appraisal as the chosen valuation and (2) also funding \$40,000 for possible attendant legal costs. The CPC, in turn, also accepted that higher appraisal valuation (thereby establishing the maximum amount that could be funded from the CPF for the land) and the proposed allowance for legal costs; and made the sum its recommendation for appropriation under this Article from CPF Cash. (See Appendix A on Page 9 for the latest modeling of the CPF revenues and expenses.)

This Committee supports the acquisition as proposed and funded so as to resolve that the Town has clear title to the property and it is preserved as conservation land.

This Committee’s support of the purchase is contingent upon Town Meeting’s approval of an access easement under Article 4 that meets or exceeds the extent cited in our comments in that following Article 4. Thus, this Committee believes Article 4 should be taken up before this Article.

Article 4: Authorize Easement on Land at 430 Concord Avenue	Fund Authorization Requested	Funding Source	Committee Recommends
	<i>Not Applicable</i>	<i>Not Applicable</i>	Approval (5–0)

“To see if the Town will vote to authorize the Board of Selectmen to acquire by eminent domain, purchase or otherwise an easement or expand the uses of the existing sewer easement on property shown on Assessors’ Property Map 10, Lots 7 and 8 to access the land shown on Assessors’ Property Map 6, Lot 1; or act in any other manner in relation thereto.”...

DESCRIPTION: This article would provide for an access easement to the land described in Article 3 of this warrant”

[Town Warrant]

This Committee understands the Town expects to be able to acquire the easement at no cost from Artis following the rezoning proposed under Article 2.

This Committee expects that the additional/expanded easement that is being proposed under this Article would provide the Town, and as deemed appropriate by the Town’s Conservation Commission the public, a route by which to access the cited, land-locked, back property—to be acquired under Article 3. Thus, as already noted above, this Committee believes this Article 4 should be taken up before Article 3.

Article 5: Schools Master Plan	Fund Authorization Requested	Funding Source	Committee Recommends
	\$250,000	GF (Cash)	Approval (5-0)

“To see if the Town will vote to appropriate a sum of money for a school building master plan;...or act in any other manner in relation thereto....”

DESCRIPTION: This article requests funds to plan for future needs of the public schools.”

[Town Warrant]

The following quotes from the Town of Lexington Request for Qualifications (RFQ) #14-48, advertised 7 May 2014, “Designer Services for Lexington Public Schools Master Planning”, with proposals due and opened on May 22, 2014, describe the scope of effort for what is contemplated to be a 3-phase program:

It is to be a 3-phase effort by “designers/architects to provide professional architectural and education-planning services to assist the Lexington Public Schools in updating the existing PK–12 Master Plan dated March 2009 to respond to increasing enrollment projects.”

“The Initial Term of this Agreement shall be from June 2014 through June 2017.”

“The Professional Fee for the selected service provider shall be negotiated in phases, but will not exceed \$75,000 for the first phase.”

“Prepared a Phase 1 Final report that provides analysis of each schools capacity based on current educational standards, updated diagrams that show how the capacity is provided in the school and the methodology for scheduling that drives the capacity. Provide recommendations on options at each school to accommodate the projected enrollments from the Enrollment Working Group through FY 2016. Also in the Final Report provide an assessment on potential capacity for elementary education at the LPS Administration Building if the administration functions are moved to another location.”

“Phase 1 Final report due September 1, 2014.”

“Phase 2: (Specific details to be determined at completion of Phase 1)

Provide specific options to accommodate 10 year population projections and flexible strategies for longer term enrollment growth or fluctuations. Recommendations should meet the demands of 21st Century education. Develop phasing options that:

- alleviate space shortfall that will require funds to be appropriated at a potential November 2014 Special Town Meeting
- alleviate space shortfall that would require appropriation at 2015 Annual Town Meeting to study/design/construction documents for additional capacity at one or more locations”

“Phase 3: (Specific details to be determined after completion of Phase 1)

Provide specific options to accommodate 10 year population projections and flexible strategies for longer term enrollment growth or fluctuations. Recommendations should meet the demands of 21st Century education. Develop phasing options that:

- develop options for elementary, middle school, and high school education that may involve projects at multiple schools over the next ten years
- an option that might result in a school project that would qualify for the MSBA Capital Grant Program.”

“At the sole discretion of the awarding authority and in addition to Phase 1, Phase 2, and Phase 3, the selected architectural firm may be contracted for additional projects to provide capacity for Lexington Public Schools, including studies, schematics, design development, construction documents, and construction administration for the term of the Agreement. If consultants are added to the team, the Awarding Authority will have a say in who is retained.

CAPITAL EXPENDITURES COMMITTEE REPORT TO 2014 STM (Jun 16th)

The \$175,000 balance of the requested funding is an estimated amount to cover Phases 2 & 3, including a portion for contingencies.

The Lexington School Committee has established a new Ad hoc School Master Planning Committee (“Ad Hoc Committee”). The following extract from its Charge describes its purpose, including how it would be involved with evaluating which firm to select in response to the RFQ and then working with the selected firm:

Recommend educational capacities for all school buildings based on current programs and educational standards for high-quality 21st century schools, and recommend the quantity of additional space that may be needed based on enrollment projections and modern educational standards. The Superintendent’s Enrollment Working Group is separately developing a model for enrollment projections that will be used by the Ad Hoc Committee for planning purposes. The Ad Hoc Committee will select an architectural firm that specializes in education planning. The Committee will then meet regularly with the selected firm to review the firm’s findings on school capacities and jointly develop plans to respond to changing enrollments.

The updating of the School’s master plan is an essential component of the Town’s overall long-range master planning which has been made even more essential by the number of major capital projects—both municipal and schools—facing Lexington in the relatively near term.

Any additional projects and any effort(s) (from schematic design, through construction document, and for construction) to implement recommendations resulting from the Schools Master Planning funded under this Article would require additional action(s) by one or more future Town Meetings.

Article 6: Amend General Bylaws—Contracts and Deeds	Fund Authorization Requested	Funding Source	Committee Recommends
	<i>Not Applicable</i>	<i>Not Applicable</i>	Approval (5–0)

“To see if the Town will vote to amend Section 32-4 of Chapter 32 (“Contracts and Deeds”) of the Code of the Town of Lexington by deleting the following line from the Table entitled Type of Contract and Number of Years:

Leases, licenses, power purchase agreements, agreements for payments in lieu of taxes (PILOTs), and/or other agreements for the purpose of installing solar energy facilities and purchasing solar electricity	20
--	----

And replacing it with the following two lines:

Leases, licenses, power purchase agreements and/or other agreements for the purpose of installing solar energy facilities and purchasing solar electricity	22
Agreements for payments in lieu of taxes (PILOTs) with owners of solar energy facilities on Town-owned property	20

or act in any other manner in relation thereto....

DESCRIPTION: Power purchase agreements for solar facilities typically provide for the sale of electricity for terms of 20 years (or more), as of the date of commercial operation. The 20 year purchase requirement is in addition to the time required for permitting and constructing a solar facility. As now written, the general bylaw would limit electricity purchases to less than 20 years in order to provide adequate time within a 20 year contract for permitting and construction of the solar facility. While permitting and construction typically is completed in less than one year, the change from 20 to 22 years for contracts authorized by the proposed amendment to the general bylaw provides flexibility to the Town Manager to take into account the possibility of up to two year delays in permitting and interconnection approvals and construction prior to commercial operation. Because state law limits PILOT Agreements to 20 years, the term of PILOT agreements is

CAPITAL EXPENDITURES COMMITTEE REPORT TO 2014 STM (Jun 16th)

unchanged by the amendment. Under the proposed amended bylaw, PILOT Agreements would become effective contemporaneously with the time when the solar system commences production, the Town begins to purchase electricity from a completed and operational solar facility, and the developer begins to receive revenue with which to make PILOT payments.”

[Town Warrant]

There is one immediately contemplated power purchase agreement (PPA) regarding the installation of solar panels on the Town buildings and another being considered for an installation at the Town’s facility on Hartwell Avenue. This Committee accepts the above-described basis for extending further the allowable duration of the leases, licenses, PPAs, and/or other agreements related to solar energy. (The immediately contemplated PAA does not currently include a PILOT.)

<i>Article 8: Establish and Appropriate To and From Specified Stabilization funds</i>	Fund Authorization Requested	Funding Source	Committee Recommends
	<i>Not Applicable</i>	<i>Not Applicable</i>	Indefinite Postponement (5-0)

“To see if the Town will vote to create and/or appropriate sums of money to and from Stabilization Funds in accordance with Section 5B of Chapter 40 of the Massachusetts General Laws for the purposes of: (a) Section 135 Zoning By-Law, (b) Traffic Mitigation, (c) Transportation Demand Management, (d) School Bus Transportation, (e) Special Education, (f) Center Improvement District; (g) Debt Service, (h) Transportation Management Overlay District (TMO-1), (i) Avalon Bay School Enrollment Mitigation Fund, and (j) Capital Projects/Debt Service Reserve/Building Renewal Fund; and determine whether the money shall be provided by the tax levy, by transfer from available funds, or by any combination of these methods; or act in any other manner in relation thereto....

DESCRIPTION: This article proposes to establish and/or fund Stabilization Funds for specific purposes and to appropriate funds therefrom. Money in those funds may be invested and the interest may then become a part of the particular fund. The use of these funds may be appropriated for the specific designated purpose by a two-thirds vote of an Annual or Special Town Meeting.”

[Town Warrant]

This Committee only reports on actions to the 6 of those 10 Specific Stabilization Funds that have a relation to capital. (Sequence identified above as (a), (b), (f), (g), (h), & (j).) See Appendix B on Page 10 for some information on each of the 10 Funds.

At the time of this report, this Committee is not aware of any actions contemplated with regard to any of the 6 Funds with a relation to capital.

CAPITAL EXPENDITURES COMMITTEE REPORT TO 2014 STM (Jun 16th)

	Fund Authorization Requested	Funding Source	Committee Recommends
<i>Article 10: Amend Article 5 of November 4, 2013, Special Town Meeting, Renovation to Community Center</i>	\$6,720,000 [an increase of \$500,000 from the amount as amended at the March 24, 2014 STM]	\$6,297,184 CPF (\$5,846,184 Cash and \$451,000 Debt) + \$422,816 GF (Free cash) [an increase of \$500,000 in CPF Cash from the amount as amended at the March 24, 2014 STM]	Approval (5-0)

“To see if the Town will vote to amend the vote taken under Article 5 of the warrant for the November 4, 2013 Special Town Meeting and amended under Article 3 of the March 24, 2014 Special Town Meeting relating to design, engineering and remodeling, reconstructing and making extraordinary repairs to buildings at 39 Marrett Road, and for equipment in connection therewith, in order to increase the appropriation therefor, and determine whether the money shall be provided by the tax levy, by transfer from available funds, including the Community Preservation Fund, or by borrowing, or by any combination of these methods; or act in any other manner in relation thereto....

DESCRIPTION: This article would authorize additional funds for the renovation of the Community Center and provide for HVAC work.”

[Town Warrant]

The initially approved funding for this project was \$3,169,000 at the November 4, 2013, STM under Article 5 for the “short term improvements needed to facilitate occupancy as soon as possible after closing [on the purchase]”. [Town Warrant for STM] (Details in this Committee’s Report to that STM, Released October 28, 2013)

As the design progressed, it then became clear that increased occupancy rates would tax the heating, ventilating, and air-conditioning (HVAC) systems beyond their capacity. When there then was an indefinite postponement of a planned Phase 2 to build-out the Center (including upgrading the HVAC systems), it was then decided that far more was needed than the previously funded immediate-occupancy scope. Specifically, the new goal was to open the Community Center with an interior environment that would be suitable “for the long haul” without the need for later interior work that would, by its nature, interfere with the on-going use of the facility. To that end, based upon an overall approximately 60% design—but with some elements still at a much earlier stage—in order to keep the expanded project as expedited as practical, it was brought to the March 24, 2014, STM and approved under Article 3 which amended the initial appropriation to \$6,220,00—an increase of \$3,051,000. (Details in this Committee’s Report to that STM, Released March 17, 2014.)

As is normally done, as the design & engineering continued toward bid-ready documents, a final, mid-range, overall estimate is done at the 90% stage. That estimate was delivered on March 26, 2014 and, when including the associated “soft costs” (those beyond the construction contract such as architectural & engineering (A&E) fees; furniture, fixtures, and equipment (FF&E); transition cost, consultants, commissioning, project contingency, etc.), the total project cost was \$7,186,838—\$966,838 over the current appropriation. That total included one increase in scope: An upgrade to a north-side, lower-level, entry way to fulfill a need identified by the Town’s Commission on Disabilities that was not known when the cost estimate at the 60% stage was done. That upgrade carried an estimated fully burdened cost of \$74,895. The remaining \$891,943 of the over-budget gap is the result of the later cost estimate done for the more-detailed, nearly bid-ready, specifications and plans. Although the earlier cost estimate at the

CAPITAL EXPENDITURES COMMITTEE REPORT TO 2014 STM (Jun 16th)

60% design stage included a price and design contingency, it was not sufficient to cover the increase reported in the 90%-design cost estimate. (A smaller such contingency will remain in the final estimated construction cost to provide some level of “insurance” against bidding being above the mid-range chosen for the cost estimate.)

The major cost-drivers of that remaining over-budget gap were the quality-level of the interior finishes (millwork, doors, acoustical ceilings, flooring, etc.) chosen to meet expectations, correction of more-severe exterior deterioration (primarily in the annex to the mansion) revealed when a more-detailed building survey was conducted, and additional relocation of fire-protection sprinkler distribution piping when the more-detailed location of HVAC-upgrade ductwork and piping was known.

The Board of Selectmen-appointed Ad hoc Community Center Advisory Committee (AhCCAC), in conjunction with the Department of Public Facilities (DPF), initiated an intense value-engineering exercise (VEE) to identify where changes could be made in the specifications and drawings to eliminate the over-budget gap. The VEE included representatives from the AhCCAC, DPF, the A&E firm (Steffian Bradley Architects [SBA]), and SBA’s cost estimators (VJ Associates). A priced list of 82 actions was reviewed for those that could be recommended without a significant, adverse, effect upon the capabilities and conditions—the “fabric”—that the AhCCAC had deemed warranted for Lexington’s Community Center. The VEE identified 32 actions that would produce an estimated, net, burdened savings of \$452,910. That list was reviewed by the AhCCAC. After retaining four actions recommended for reductions as the AhCCAC deemed them as having unacceptable impact, and then choosing to include one action that hadn’t been recommended by the VEE, the AhCCAC approved the actions that would produce an estimated, net, burdened savings of \$449,838. That reduced the budget gap to \$517,000. Then, with a total of \$17,000 in relatively small adjustments in a few of the non-direct costs, that is the basis for the \$500,000 being requested under this Article.

See Appendix C on Page 11 for a table showing the three Total Project Costs for this project: As described above, the first two past appropriations were made for what were totally different scopes; the third is the latest, cost-estimated-after-VEE, basis for the current request under this Article. (Also see Appendix A on Page 9 for the latest modeling of the CPF revenues and expenses.)

With the goal of assuring that the Town will be able to award a contract in response to the adjusted bid package, the AhCCAC also agreed to identify three components of the scope as sequenced “add alternates”—leaving the balance of the scope as the base scope. The bids will then consist of the cost for the base scope and separate bids for each of the “add alternates”. To the extent the available appropriation permits, the Town can award for the base scope and then, in sequence, the addition—in sequence—of the “add alternates”. (An “add alternate” can only be included if the available funding permits all of it to be funded; one can’t include just a part of an “add alternate” in the award.) Considering the advice of DPF, the AhCCAC recommended the following “add alternates” (shown with their estimated burdened costs) be in the following sequence. (Both are for work that can be completed after the building is occupied without significant interference with the ongoing activities in the building.)

First: New Mansion Ramp Access (\$102,270)

Last: Exterior Façade Repairs (\$428,740)

The BoS has recommended the \$500,000 increase and the CPC then recommended that increase be made in the cash appropriation from the CPF.

This Committee has carefully considered the causes of the increase in the estimated cost of this project and, in context, found them not to be unreasonable when considering the earlier state of design and the Town’s expectations for the Community Center when the appropriation was last amended. (Note: This Committee considers any comparison to the initial appropriation is not relevant as that was for a long-since-unrelated project scope.) Further, this Committee believes the VEE—although accomplished in an extraordinarily short time—was properly intensive, and the AhCCAC’s final recommendation on the cost cutting properly balanced the goal of eliminating the budget gap, but only to the extent it didn’t destroy the “fabric” of a Community Center for Lexington.

CAPITAL EXPENDITURES COMMITTEE REPORT TO 2014 STM (Jun 16th)

Article 11: Amend Article 2 of March 24, 2014, Special Town Meeting, Cary Memorial Building Upgrades	Fund Authorization Requested	Funding Source	Committee Recommends
	<i>Not Applicable</i>	<i>Not Applicable</i>	Indefinite Postponement (5-0)

“To see if the Town will vote to amend the vote taken under Article 2 of the warrant for the March 24, 2014 Special Town Meeting relating to appropriating a sum of money for the remodeling, reconstructing, and making extraordinary repairs to the Cary Memorial Building; and for equipment in connection therewith, and determine whether the money shall be provided by the tax levy, by transfer from available funds, including the Community Preservation Fund, or by borrowing, or by any combination of these methods; or act in any other manner in relation thereto....

DESCRIPTION: This article would authorize additional funds for the renovation of the Cary Memorial Building.”

[Town Warrant]

The qualified and selected bid by Nauset Construction Corporation (Needham, MA) for this project is \$7,137,000. As that is \$178,448 below the \$7,315,448 estimated cost for the construction contract that was the primary component of the \$8,677,400 estimated total-project cost for which an appropriation was approved by the March 24, 2014 STM for all of the intended scope of the project, there is no need for an amendment to increase that existing appropriation to permit an award. At the time of this report, the Town is in the process of completing that contract award.

Article 12: Appropriate for Authorized Capital Improvements	Funds Requested	Funding Source	Committee Recommends
	<i>Not Applicable</i>	<i>Not Applicable</i>	Indefinite Postponement (5-0)

“To see if the Town will vote to make supplementary appropriations to be used in conjunction with money appropriated in prior years for the installation or construction of water mains, sewers and sewerage systems, drains, streets, buildings, recreational facilities or other capital improvements and equipment that have heretofore been authorized; determine whether the money shall be provided by the tax levy, by transfer from the balances in other articles, by transfer from available funds, including enterprise funds, by borrowing, or by any combination of these methods; or act in any other manner in relation thereto....

DESCRIPTION: This is an article to request funds for capital improvement project expenditures that exceed the level of appropriation.”

[Town Warrant]

At the time of this report, this Committee is not aware of any actions contemplated under this Article.

APPENDIX A: Community Preservation Fund—Projected Revenues and Expenditures

CPA Fund - Projected Revenues and Expenditures									
(including supplemental \$500,000 for Community Center & \$220,000 for 430 Concord Ave Back Lot, both from available funds)									
Prepared 10 Jun 2014									
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
			Projected Revenue						
		FY2014	FY2015 (includes 2014 ATM action on proposed 6/16/14 action)	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
(1)	Property Surcharge		\$ 3,907,000	\$ 4,043,745	\$ 4,185,276	\$ 4,331,761	\$ 4,483,372	\$ 4,640,290	\$ 4,802,701
(2)	State Match ¹		\$ 927,310	\$ 959,766	\$ 993,358	\$ 1,028,125	\$ 1,064,110	\$ 1,101,353	\$ 1,139,901
(3)	Investment Income ²		\$ 14,000	\$ 14,490	\$ 14,997	\$ 15,522	\$ 16,065	\$ 16,628	\$ 17,210
(4)	Total		\$ 4,848,310	\$ 5,018,001	\$ 5,193,631	\$ 5,375,408	\$ 5,563,547	\$ 5,758,271	\$ 5,959,811
Projected Allocations into Reserves and Claims Against Reserves									
(5)	Open Space		\$ 989,561	\$ 501,800	\$ 519,363	\$ 537,541	\$ 556,355	\$ 575,827	\$ 595,981
(6)			\$ (220,000)	\$ (501,800)	\$ (519,363)	\$ (537,541)	\$ (556,355)	\$ (575,827)	\$ (595,981)
(7)	Historic Resources		\$ 519,980	\$ 501,800	\$ 519,363	\$ 537,541	\$ 556,355	\$ 575,827	\$ 595,981
(8)			\$ (519,979)	\$ (501,800)	\$ (519,363)	\$ (537,541)	\$ (556,355)	\$ (575,827)	\$ (595,981)
(9)	Community Housing		\$ 873,316	\$ 501,800	\$ 519,363	\$ 537,541	\$ 556,355	\$ 575,827	\$ 595,981
(10)			\$ (873,316)	\$ (501,800)	\$ (519,363)	\$ (537,541)	\$ (556,355)	\$ (575,827)	\$ (595,981)
(11)	Other Projects		\$ -	\$ 501,800	\$ 519,363	\$ 537,541	\$ 556,355	\$ 575,827	\$ 595,981
(12)			\$ -	\$ (501,800)	\$ (519,363)	\$ (537,541)	\$ (556,355)	\$ (575,827)	\$ (595,981)
(13)	Unbudgeted Reserves		\$ 3,393,817	\$ 3,010,800	\$ 3,116,179	\$ 3,225,245	\$ 3,338,128	\$ 3,454,963	\$ 3,575,887
(14)			\$ (661,735)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(15)	Administrative Expenses		\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)
(16)			\$ (257,353)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(17)	Residual Balance		\$ 2,844,291	\$ 2,860,800	\$ 2,966,179	\$ 3,075,245	\$ 3,188,128	\$ 3,304,963	\$ 3,425,887
Projected Debt Service - 10 Year Term @ 4% (Visitor Center - 5 year term)									
	Amount	ATM Action	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
(18)	\$ 2,950,000	2012	\$ 434,633	\$ 424,800	\$ 410,050	\$ 395,300	\$ 380,550	\$ 365,800	\$ 351,050
(19)	\$ 7,390,000	2013	\$ 1,089,774	\$ 1,065,100	\$ 1,028,100	\$ 991,100	\$ 954,100	\$ 917,100	\$ 880,100
(20)	\$ 451,000	2014	\$ 9,300	\$ 63,140	\$ 61,336	\$ 59,532	\$ 57,728	\$ 55,924	\$ 54,120
(21)	\$ 8,241,350	2014	\$ 67,100	\$ 1,153,789	\$ 1,120,824	\$ 1,087,858	\$ 1,054,893	\$ 1,021,927	\$ 988,962
(22)	\$ 675,727	2015	\$ -	\$ 15,767	\$ 162,174	\$ 156,769	\$ 151,363	\$ 140,551	\$ 135,145
(23)	\$ 1,200,000	2016	\$ -	\$ -	\$ -	\$ 168,000	\$ 163,200	\$ 158,400	\$ 153,600
(24)	\$ 2,400,000	2017	\$ -	\$ -	\$ -	\$ -	\$ 336,000	\$ 326,400	\$ 316,800
(25)	Total Projected Debt Service		\$ -	\$ 1,600,807	\$ 2,722,596	\$ 2,782,484	\$ 2,856,559	\$ 3,097,834	\$ 2,986,103
(26)	Residual Balance Net of Debt Service		\$ 1,631,467	\$ 1,243,484	\$ 138,205	\$ 183,694	\$ 216,886	\$ 90,295	\$ 318,860
(27)	Application of Residual Balances								
(28)	Net Balances Available								

¹ FY15 figure derived from an assumed 25% reimbursement rate.

² FY15 figure based on historical experience. FY15 to FY21 assumes a 3.5% annual increase based on assumed growth in the CPA surcharge of 3.5% annually.

³ Given that these projects constitute preservation of historic resources, the annual debt service payments could be applied to mitigate or meet the 10% threshold required under the CPA, thus precluding the need to set-aside a portion or all of the amounts shown in row 7 above. Relatedly, debt service for Wright Farm could be applied to mitigate the 10% threshold for open space shown in row 6 above.

⁴ Current Estimate of total project cost. Recreation Enterprise Fund retained earnings is a potential source to mitigate project costs.

CAPITAL EXPENDITURES COMMITTEE REPORT TO 2014 STM (Jun 16th)

APPENDIX B: Information on the Town's Current Specific Stabilization Funds

**Review of Lexington's Specific Stabilization Funds
for Applicability to the Capital Expenditures Committee's Reports to Town Meeting**

Town Warrant, Town of Lexington, for Special Town Meeting on June 16, 2014, signed May 19, 2014					
Article 8: Establish and Appropriate To and From Specified Stabilization Funds					
"To see if the Town will vote to create and/or appropriate sums of money to and from Stabilization Funds in accordance with Section 5B of Chapter 40 of the Massachusetts General Laws for the purposes of: (a) Section 135 Zoning By-Law, (b) Traffic Mitigation, (c) Transportation Demand Management, (d) School Bus Transportation, (e) Special Education, (f) Center Improvement District; (g) Debt Service, (h) Transportation Management Overlay District (TMO-1), (i) Avalon Bay School Enrollment Mitigation Fund, and (j) Capital Projects/Debt Service Reserve/Building Renewal Fund; and determine whether the money shall be provided by the tax levy, by transfer from available funds, or by any combination of these methods; or act in any other manner in relation thereto."					
Warrant		Town Meeting (ATM=Annual; STM=Special)		Capital Related	Comment
Sequence	Name	Created	Purpose		
(a)	Section 135 Zoning By-Law	2007 ATM, Art 39	"for the purpose of financing public improvements pursuant to Section 135 of the Code of Lexington"	Yes	
(b)	Traffic Mitigation	2007 ATM, Art 39	"for the purpose of financing traffic mitigation projects pursuant to conditions of special permits issue by the Town"	Yes	
(c)	Transportation Demand Management	2007 ATM, Art 39	"for the purpose of supporting the operations of Lexpress Bus Service"	No	Name should be "Transportation Demand Management/Public Transportation" as that is how it was cited in the Motion that created it.
(d)	School Bus Transportation	2007 ATM, Art 39	"for the purpose of supporting transportation of students to and from school on a daily basis"	No	
(e)	Special Education	2008 ATM, Art 24	None stated when created, but Appropriation Committee Report to that Town Meeting says "for setting aside reserves to help cover unexpected out-of-district Special Education expenses that exceed budget"	No	
(f)	Center Improvement District	2009 ATM, Art 25	"to fund needed improvements in Lexington Center"	Yes	
(g)	Debt Service	2009 ATM, Art 26	"for the purpose of paying a portion of the debt service on certain outstanding bonds of the Town issued for the purpose of the Diamond Middle School, Clarke Middle School and High School construction projects"	Yes	
(h)	Transportation Management Overlay District (TMO-1)	2011 ATM, Art 20	"for the purpose of financing transportation infrastructure improvements per Section 135-43C of the Code of the Town of Lexington"	Yes	The "(TMO-1)" should be deleted from the name as that was not cited as part of the name in the Motion when created and the cited Section of the Code just defines such an overlay district.
(i)	Avalon Bay School Enrollment Mitigation Fund	2011 ATM, Art 20	"to mitigate the cost of students attending the Lexington Public Schools who reside at Avalon Bay"	No	
(j)	Capital Projects/Debt Service Reserve/Building Renewal Fund	2012 STM 19 Nov, Art 3	None stated when created but the name identifies the intended purposes.	Yes	

APPENDIX C: Lexington Community Center Total Project Budget

Lexington Community Center Total Project Updated June 6, 2014

	STM 11/4/13	STM 3/24/14	AhCCAC May 28, 2014
	Immediate Occupancy	Long-Term Buildout	90% Estimate after VE
Hard Costs			
Direct Cost Subtotal	\$1,765,000	\$3,675,000	\$4,604,000
Direct Cost Markups and Contingencies			
General Conditions, General Requirements, Insurance & Fee	\$409,000	\$853,000	\$1,068,000
Price and Design Contingency	\$326,000	\$459,000	\$100,000
Bidding Contingency			\$86,000
Value Engineering			-\$450,000
Estimated Construction Cost	\$2,500,000	\$4,987,000	\$5,408,000
Construction Change Order Contingency	\$187,000	\$249,000	\$270,000
Total Estimated Construction Contract	\$2,687,000	\$5,236,000	\$5,678,000
Soft Costs			
A&E Design Development & Construction Documents	\$162,000	\$349,000	\$379,000
A&E Bidding & Construction Administration	\$62,000	\$125,000	\$135,000
FF&E	\$75,000	\$125,000	\$125,000
Transition Costs	\$0	\$50,000	\$50,000
Consultants (legal, testing)	\$10,000	\$10,000	\$10,000
Commissioning	\$15,000	\$50,000	\$50,000
Total Estimated Soft Cost for Phase 1	\$324,000	\$709,000	\$749,000
Hard Cost + Soft Cost	\$3,011,000	\$5,945,000	\$6,427,000
Project Contingency	\$88,000	\$175,000	\$193,000
	\$3,099,000	\$6,120,000	\$6,620,000
Other Considerations			
Sidewalk Design	\$20,000	\$20,000	\$20,000
Additional Fees (Constructability & Carriage House Evaluation)	\$50,000	\$80,000	\$80,000
Total Project Cost	\$3,169,000	\$6,220,000	\$6,720,000

Non-numerical presentation adjustments by the Lexington Capital Expenditures Committee **Recommended Appropriation Increase = \$500,000**